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TREASURY FOR DANIEL HARRIS

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TAGS: [PTER](#) [KTFN](#) [QA](#) [IR](#)
SUBJECT: SCENESETTER FOR U/S LEVEY'S FEBRUARY 24-25 VISIT
TO DOHA

Classified By: CDA Michael A. Ratney, reasons 1.4 (b) and (d).

11. (S/NF) Your February 24-25 visit to Qatar should advance our engagement with the GOQ on CT cooperation and counter-terrorist finance, and continue our on-going discussions with the Qataris on the need for vigilance against money-laundering and Iranian exploitation of the international banking system. The Qatari leadership consistently welcomes Washington visitors and generally responds well to sustained dialogue and engagement.

12. (S/NF) One frustration the Embassy faces - and you may during your visit - is the GOQ's compartmentalization of information. Issues of concern to the U.S. in some instances are handled by the Qatar Security Services (QSS); others are handled by the Central Bank; and key actors like the MFA may be unaware of what other governmental agencies are doing. The Embassy tries to encourage the GOQ to work cohesively, and so your bringing matters of concern to the attention of a range of senior officials should have an impact.

13. (S/NF) Although we are often at odds with the Qataris on a range of foreign policy issues, the U.S. has a great deal at stake in this country:

-- (S/NF) Qatar gives CENTCOM unrestricted access to Al-Udeid Air Base and other U.S. military facilities that are critical to operations from Iraq to Afghanistan to the Horn of Africa.

Qatar hosts thousands of U.S. forces, some 100 U.S. and Coalition aircraft, as well as the CENTCOM Forward Headquarters, the Combined Air Operations Center, SOCCENT Forward Headquarters, and other important DOD facilities. And Qatar does this at no cost to the USG, with the GOQ actually paying for \$700 million in construction costs for U.S. facilities at Al-Udeid Air Base.

-- (U) Exports of oil and LNG have made Qatar one of the wealthiest countries in the world. Already the world's largest exporter of LNG, Qatar has plans to invest an additional USD 70 billion in its natural gas sector and expand production through 2012 - by then more than doubling LNG exports. Qatar is exceptionally friendly to U.S. energy companies. Since 1999, there has been USD 60 billion in foreign investment in Qatar's energy sector with the majority, about USD 40 billion, coming from U.S. firms, including ExxonMobil, ConocoPhillips, and Occidental. This small emirate will next year become a major (and eventually the largest) supplier of LNG to the U.S. when the Golden Pass LNG terminal is completed in southeast Texas - a \$2.2 billion development by Qatar Petroleum, ExxonMobil and ConocoPhillips.

-- (SBU) Qatar's commitment to modernize its educational system on the U.S. model is exemplified by Education City, a 2500-acre campus on the outskirts of Doha. Managed by the Qatar Foundation, the organization chaired by the Amir's

wife, Sheikha Mozah, Education City is home to five U.S. college branch campuses (Texas A&M, Carnegie Mellon, Weill-Cornell Medical School, Georgetown School of Foreign Service, and Virginia Commonwealth University), with nearly 1000 students currently enrolled. Northwestern University will soon open a school of journalism and mass communication. Meanwhile, primary and secondary school curriculum is being reformed along U.S. standards and a network of competitive charter schools is gradually replacing out-moded government-run schools.

-- Rule of law, if not full democratization, is taking root firmly, though slowly. Judicial corruption is rare, the police are increasingly professional, and a nascent civil society is emerging. Qatari women have had the right to vote since the first election took place in the country in 1999 for the Central Municipal Council. Qatar's continued delay in announcing long-expected parliamentary elections may be the result of seeing how an elected parliament in Kuwait, strongly populated by Islamists, has worked against reforms initiated by the ruler.

A TROUBLESOME FOREIGN POLICY

¶4. (S) Although our relationship with Qatar remains solid in all these areas, it has soured steadily at the political level since the beginning of Operation Iraqi Freedom. This trend began with Al Jazeera's harshly biased coverage of OIF in 2003, but it has been Qatar's foreign policy initiatives - and its maddening behavior during its 2006-07 term on the UN Security Council - that really drove the deterioration.

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¶5. (S) Mere mention of Qatar to our regional allies raises their ire, though we have seen no smoking gun for most of their accusations. Our own list of grievances with Qatar is long enough, but at the core are its high-level engagement with Hamas leaders even as we seek to isolate them; support for Syria and its allies in Lebanon as we work to support the democratic majority; serving as a flak for Sudan and Hezbollah during its stint on the UN Security Council; and a failure to follow through on its stated commitment to forgive Iraqi debt. Whether borne of sincerely held views, a product of their prickly relationship with Saudi Arabia, or simply longstanding Qatari contrarianism, foreign policy has come to define the official U.S. view of Qatar.

¶6. (S) Iran hangs heavily over our relationship with Qatar. During its 2006-07 tenure on the UN Security Council, Qatar cast the consensus-breaking (14-1) vote on Resolution 1696 in July 2006 (though later joined consensus in two unanimous votes to impose sanctions on Iran's nuclear program). The Iranian president has visited Qatar several times in the past two years, and Qatari officials regularly visit Iran. But what we and some of Qatar's neighbors may read as duplicity, the Qataris no doubt see as survival. They do share our concern about Iran's nuclear program and revolutionary ideology, but Qatar's geographic proximity, vulnerability of its energy installations, and the fact that its massive off-shore gas reserves are shared with Iran, dictate a less confrontational approach.

¶7. (S/NF) In addition, our bilateral counter-terrorism and intelligence cooperation - of obviously critical importance in this region - is now the worst of all GCC states. Meanwhile, the senior Qatari leadership appears to have grown jealous of our relationships with regional rivals and annoyed that we don't give Qatar more attention, including senior-level visits and visibility in our own initiatives. We nevertheless believe the Qatari leadership regards our relationship as strategic and permanent, and they see the military bases, energy contracts, and U.S. universities as evidence of this.

GROWING COOPERATION ON CT FINANCE

¶18. (S/NF) The Qatar Central Bank and Qatar's nascent Financial Information Unit (FIU) appear anxious to avoid letting their small but growing financial sector be exploited by terrorists and so has gradually been building a solid legal and bureaucratic foundation for counter-terrorist finance issues. The system has been untested by prosecutions, however, and the GOQ has often been unwilling to cooperate on designations of certain terrorist financiers, particularly those where perceived as politically sensitive.

¶19. (S) Qatar is often accused (by Jordan, the Palestinian Authority, and others) of funneling money to Hamas, though we have seen little clear evidence that this is actually happening. The Qatar Authority for Charitable Works monitors all domestic and international charitable activities and approves international fund transfers by the charities. Qatar's Financial Information Unit resides in the Qatar Central Bank and can review suspect accounts. Local banks work with the Central Bank and the FIU on CT finance and anti-money laundering issues, and bank officials attend U.S.-sponsored conferences on these subjects.

¶10. (S) CT finance issues became troublesome during Qatar's two-year tenure on the UN Security Council. Qatar had blocked - at Kuwait's request - the designation of three Kuwaiti terrorist financiers via the UN 1267 Committee. Qatar also blocked - with Russia - the designation of a Syrian Ba'ath-party official accused of financing Al-Qaeda in Iraq, probably due to sensitivities over upsetting the political relationship with Syria. Qatar was supportive, however, of other requests which apparently did not impinge on its political relationships with other regional countries.

RATNEY